



# **2014 ANNUAL RESIDENTIAL GROWTH FORECAST**

Years 2014 Through 2019

*September 22, 2014*

## **INTRODUCTION**

As a component of the City of Chula Vista's Growth Management Program, the city's Development Services Department provides annual residential growth forecasts looking out five years. This year's growth forecast covers the period from September 2014 through December 2019.

As part of the city's annual growth management review process, the growth forecast is provided to assist city departments and other service agencies in assessing potential impacts that growth may have on maintaining compliance with quality of life threshold standards associated with each of the facilities or improvements listed below:

1. Air Quality
2. Drainage
3. Fire and Emergency Medical Services
4. Fiscal
5. Libraries
6. Parks and Recreation
7. Police
8. Schools
9. Sewer
10. Traffic
11. Water

The Chula Vista Growth Management Oversight Commission (GMOC) annually sends out the growth forecast and compliance questionnaires to city departments and service agencies, soliciting information regarding past, current and projected compliance with the quality of life threshold standards for the facilities and services listed above. The responses to the questionnaires form a basis for the GMOC's annual report, which includes a set of recommendations to the City Council regarding threshold maintenance and/or the need for revisions to any of the city's threshold standards. Recommendations may include such actions as adding or accelerating capital projects; hiring personnel; changing management practices; slowing the pace of growth; or considering a moratorium. The City Council ultimately decides what course of action to take.

To prepare the growth forecast, the city solicits projections from developers and builders, which encompasses residential projects that have been or are undergoing the entitlement process, and could potentially be approved and permitted for construction within the next five years. The numbers reflect consideration of the city's standard entitlement process and permitting time frames, and, as such, do not reflect market or other economic conditions outside the city's control.

Commonly referred to as the "growth management" or "GMOC" forecast, it is important to note that the housing market is influenced by a variety of factors outside the city's control, and this forecast:

- Does not represent a goal or desired growth rate;
- Is what may occur given a set of assumptions listed on page 3;
- Is produced by the city and not necessarily endorsed by home builders; and
- Represents a “worst-case” or more liberal estimate to assess maximum possible effects to the city’s threshold standards.

For example, last year’s growth forecast estimated that 451 building permits would be issued for single-family units in 2014. As of September 17, 2014, 95 permits had been pulled. For multi-family units, 1,322 building permits were projected, and 734 had been pulled. Nearly all of the building activity was in the master planned communities east of Interstate 805.

## **FORECAST SUMMARY**

Between September 2014 and December 2015, as many as 1,592 housing units could be permitted for construction in eastern Chula Vista, and 421 in western Chula Vista (see Figure 1).

In the five-year forecast period (calendar years 2015 through 2019), eastern Chula Vista could have as many as 9,760 housing units permitted (averaging 1,952 annually), and development in western Chula Vista could total as many as 1,067 units, averaging 213 units annually. The total number of units permitted citywide could be 10,827, with an annual average of 2,165 housing units permitted per year (see Tables 1 and 2).

Using more aggressive development figures in this forecast allows the city and service providers to evaluate the maximum potential effect on maintaining quality of life, and the ability to provide concurrent development of necessary public facilities and services.

The following discussions and figures describe the context, conditions and assumptions behind the forecast, and are provided to further qualify that this forecast is a “worst case” planning tool and not a prediction or specific expectation.

## **FORECAST INFORMATION**

Projections are derived primarily from approved development plans, and estimated project processing schedules for plan reviews, subdivision maps, and building plans.

The forecast is predicated upon the following five assumptions:

1. That public policy regarding development remains otherwise unchanged;
2. That the Growth Management Program’s threshold standards are not exceeded;
3. That the housing market continues to revive;
4. That entitlement processing for Otay Ranch areas subject to recent Land Offer Agreements is completed as anticipated; and
5. That projects follow normal project regulatory processing schedules.

## **Eastern Chula Vista**

As noted above, most of the city's growth has been and will continue to be in eastern Chula Vista (see Figure 2) for the next several years. The majority of building activity in 2015 is projected to occur in Otay Ranch Village 2 and in the Otay Ranch Eastern Urban Center (EUC) "Millenia" (see Table 1). Following is a summary of the projects included in the forecast:

Eastlake – "Lake Pointe" in Eastlake Vistas is a 221-unit multi-family project across from the Olympic Training Center, and is the final residential project in the Eastlake Master Planned Community (other than 27 single-family custom homes still unbuilt in "The Gates"). Lennar Homes is projecting to pull a total of 79 building permits before the end of 2014 and the remaining majority (136) in 2015.

Otay Ranch Village 2 – Baldwin & Sons continues to be the dominant developer in Village 2, projecting 640 single-family and 1,533 multi-family units over the next five years, including 151 single-family and 591 multi-family units by the end of 2015.

JPB is projecting to pull permits for 98 single-family units between 2014 and 2015.

Otay Ranch Village 3 North – JPB is in the final stages of the entitlement process for development in Village 3 North, with completion expected by the end of 2014. Starting in 2016 with 150 single-family and 100 multi-family units, they are projecting a total of 1,472 units by the end of 2019 – 902 single-family and 570 multi-family.

Otay Ranch Village 8 West – With the zoning and map entitlement process completed in December 2013, Otay Land Company is projecting 1,043 units over the next five years, starting with 148 in 2015.

Otay Ranch Village 8 East and Village 10 – As with Village 3 North, the entitlement process for Village 8 East and Village 10 should be completed by the end of 2014. Starting in 2017 with 100 single-family and 125 multi-family units in Village 8 East, JPB is projecting a total of 1,125 there by the end of 2019 – 550 single-family and 575 multi-family.

Otay Ranch Village 9 – Otay Land Company completed zoning and map entitlements for Village 9 in June 2014 and is projecting to begin construction in 2017 with 202 multi-family units and 726 more by the end of 2019.

Otay Ranch Eastern Urban Center (EUC) "Millenia" – McMillin is projecting 1,972 multi-family units in Millenia over the next five years, starting with 353 units in 2014/2015.

Otay Ranch Freeway Commercial – Baldwin & Sons is in the final stages of the entitlement process for the Freeway Commercial area and is projecting up to 600 units by 2019.

Bella Lago – Bella Lago LLC owns the final 52 lots of this 140-unit, single-family development and expects to contract other builders to develop 32 of them over the next five years, starting with 8 in 2016.

As of September 2014, the remaining capacity for residential units that could be permitted in eastern Chula Vista is approximately 22,072, based on the city's current General Plan amendments. If 10,827 units were permitted over the next five-year forecasted period, approximately 11,245 units would remain. Assuming that continued rate of growth, the capacity could potentially be built out around 2030, although changes in actual growth rates and/or future revisions to plans will affect that timing.

### **Western Chula Vista**

Western Chula Vista has not shown significant increases in housing since the city's growth management program began in the late 1980's. Several developments projected for 2014 did not materialize, with the exception of "Lofts on Landis", a 33-unit multi-family project currently under construction at 240 Landis Avenue.

Both "Urbana", a 266-unit multi-family project at H Street between Third and Fourth Avenues, and "The Colony" at 435 Third Avenue (162 units) have been pushed back to 2016. At the Bayfront, the first 186 of 1,500 multi-family units are projected for 2016, also.

Three other large multi-family projects are projected for 2015, including "Creekside Point" at 944 Third Avenue (119 units), "El Dorado Ridge" on Brandywine Avenue (104 units), and Stone Creek Casitas at 3875 Main Street (97 units). Two smaller multi-family projects are also projected for 2015, including Bahia Vista Townhomes at 778 Ada Street (21 units) and a 17-unit development at 354 Moss Street.

In terms of single-family development, the 16-unit project at 35 Tamarindo Way has been pushed from 2014 and 2015, and a 6-unit project at 386 Date Street is projected for 2015, also.

### **Residential Construction History**

Several market cycles, including recessions, have contributed to a broad range in the number of building permits issued each decade since 1980, as indicated below:

DECADE	AVERAGE NUMBER OF BUILDING PERMITS ISSUED PER YEAR
1980-1989	330
1990-1999	693
2000-2009	2,094
2010-2014	697*

\*Through September 17, 2014

On an annual basis, the number of building permits issued for housing units in Chula Vista has fluctuated from a few hundred units a year to over 3,000, with an average of 1,552 units per year over the past 16 years (see Table 3).

Between the years 1996 and 2001, the number of building permits issued annually for housing units steadily increased from about 1,000 units to 3,525 units, a peak that is not likely to return. A significant cause of the growth was the onset of construction in Eastlake, Otay Ranch and other eastern Chula Vista master planned communities. During the construction boom years from 2001-2004, the average annual number of units receiving permits for construction was approximately 2,200.

The number of building permits issued began to taper off in 2005 when 1,654 residential permits were issued, and bottomed out in 2009 when 275 permits were issued. Since then, permits have been on an upward trajectory, with the exception of 2013, when they went down 167 from the previous year. Through September 17, 2014, 829 residential building permits had been issued (see Figure 3), with one more quarter to go this calendar year.

## **FORECASTED POPULATION**

This forecast focuses on the projected number of residential units as the primary indicator to measure future population increases. Western Chula Vista (as evidenced by U.S. Census data) has been undergoing growth in the form of demographic changes as the average household size increases; however, such growth is difficult to track on a year-to-year basis and is not reflected in this report's future population forecast.

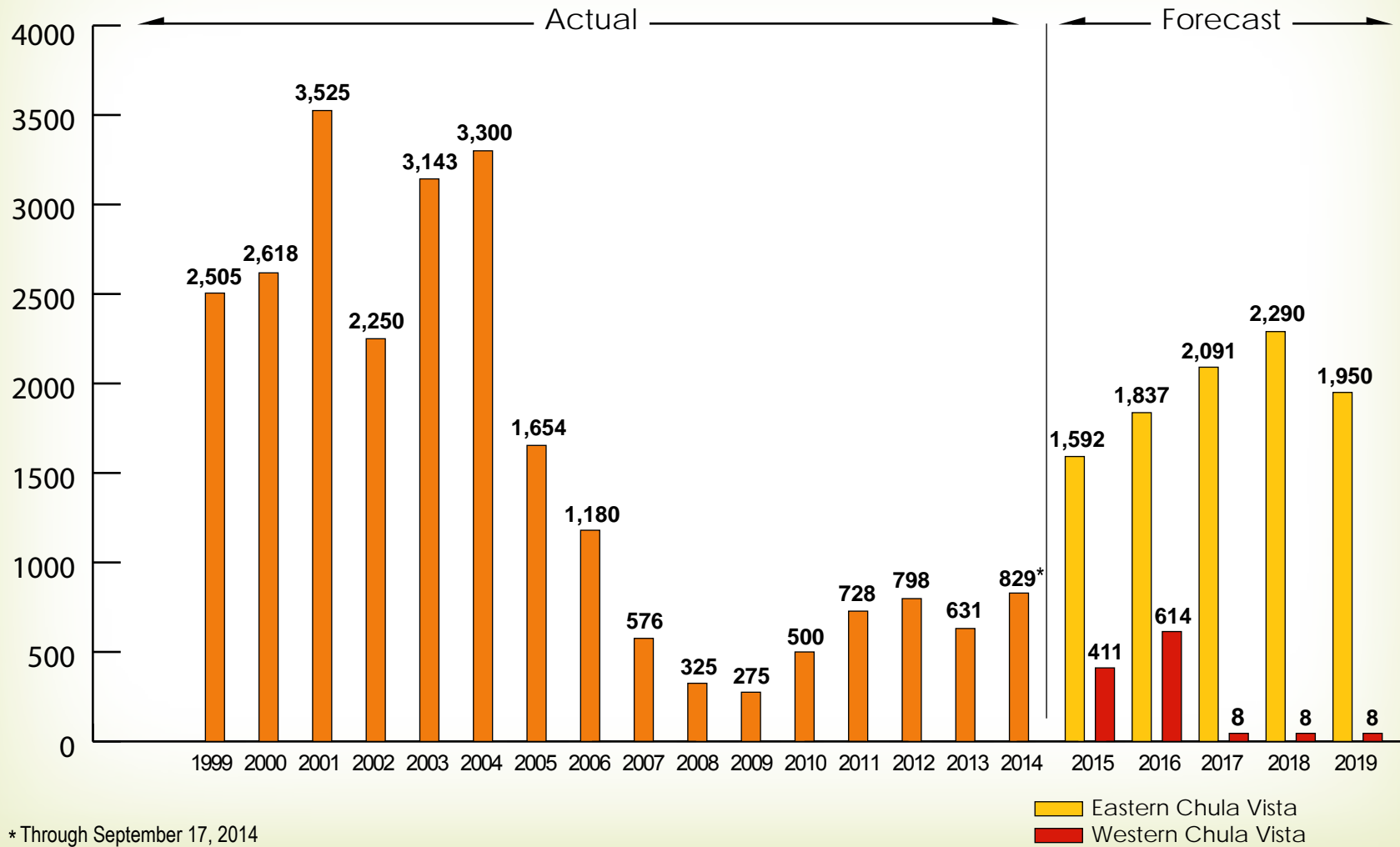
The California State Department of Finance estimates that Chula Vista has an average of 3.26 persons per household. Assuming this estimate over the next five years, and assuming a 4.9% vacancy rate, Chula Vista can expect a total population of approximately 294,007 persons by the end of 2019. This is based on the following:

- The California State Department of Finance (DOF) estimated Chula Vista's population on January 1, 2014 as 256,139;
- An additional 394 units were occupied from January 1, 2014 to September 2014; and
- An additional 11,820 units may be permitted between September 2014 and December 2019.

This is only a rough estimate for planning purposes, as the vacancy rate, persons per unit factors, and the number of actual units completed may vary.

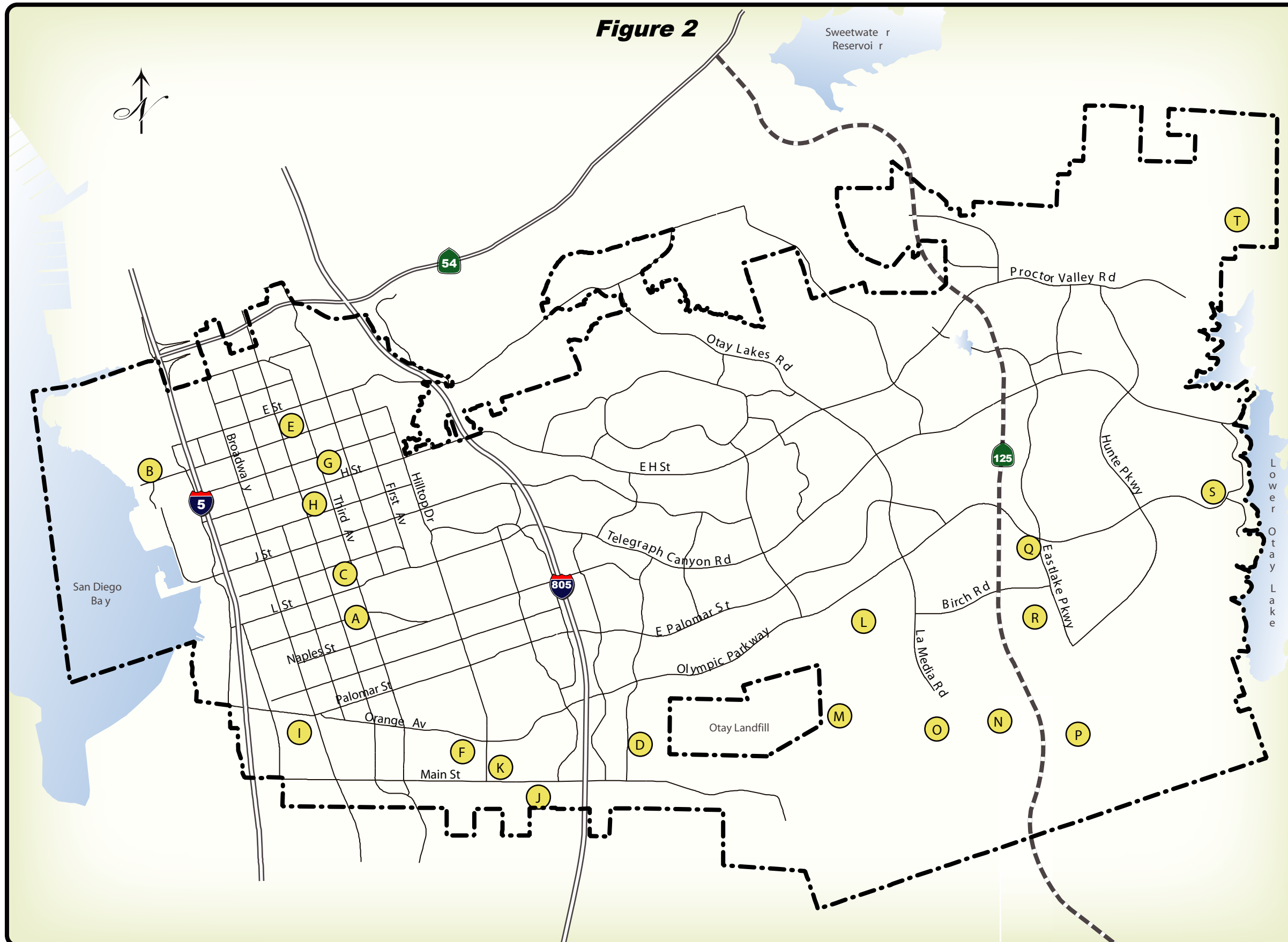
Number  
of Units

**Figure 1**



## Residential Building Permits Statistics Issued and Forecast 1999 - 2019

**Figure 2**



**LIST OF CITYWIDE PROJECTS**

- A** 354 Moss Street
- B** Bayfront
- C** Creekside Point
- D** El Dorado Ridge
- E** Lofts on Landis
- F** Tamarindo
- G** The Colony
- H** Urbana
- I** Bahia Vista Town Homes
- J** 386 Date Street
- K** Stone Creek Casitas
- L** Otag Ranch Village 2
- M** Otag Ranch Village 3 North
- N** Otag Ranch Village 8 East
- O** Otag Ranch Village 8 West
- P** Village 9
- Q** Freeway Commercial
- R** Eastern Urban Center
- S** Eastlake Vistas
- T** Bella Lago

- City of Chula Vista Boundary**
- Toll Road**

**Residential Development Forecast Map  
9/2014 - 12/2019**



**Table 1**  
**GMOC 2015 - EASTERN CHULA VISTA RESIDENTIAL DEVELOPMENT FORECAST**  
**SEPTEMBER 2014 - DECEMBER 2019**

SEPTEMBER 2014 - DECEMBER 2019											Five Years Forecast	
PROJECT	SEPTEMBER 2014 - DECEMBER 2015		JAN. - DECEMBER 2016		JAN. - DECEMBER 2017		JAN. - DECEMBER 2018		JAN. - DECEMBER 2019		SEPTEMBER 2014 - 2019	
	ISSUE*		ISSUE*		ISSUE*		ISSUE*		ISSUE*		ISSUE*	
	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF
OTAY RANCH												
Village 2 North - Baldwin & Sons	95	167	57	48	27	63	29	9	0	0	208	287
Village 2 East - Baldwin & Sons	0	348	0	300	10	0	19	0	0	0	29	648
Village 2 South - Baldwin & Sons	56	76	102	166	113	72	28	77	0	63	299	454
Village 2 West - Baldwin & Sons	0	0	0	0	24	24	40	60	40	60	104	144
Village 2 - JPB (Anacapa II R-9)	31	0	0	0	0	0	0	0	0	0	31	0
Village 2 - JPB (Presidio II R-7)	67	0	0	0	0	0	0	0	0	0	67	0
Village 2 - Bank-owned (R-28)	0	0	0	0	0	96	0	0	0	0	0	96
Village 3 North - JPB	0	0	150	100	250	160	250	160	252	150	902	570
Village 8 East - JPB	0	0	0	0	100	125	225	225	225	225	550	575
Village 8 West - Otay Land Co.	0	148	0	203	0	238	0	223	0	231	0	1,043
Village 9 - Otay Land Co.	0	0	0	0	0	202	0	324	0	402	0	928
Freeway Commercial - Baldwin & Sons	0	36	0	372	0	72	0	72	0	48	0	600
Eastern Urban Center - McMillin (Millenia)	0	353	0	325	0	507	0	541	0	246	0	1,972
Otay Ranch Sub-Total	249	1,128	309	1,514	524	1,559	591	1,691	517	1,425	2,190	7,317
Eastlake Vistas - Lennar Homes (Lake Pointe)	0	215	0	6	0	0	0	0	0	0	0	221
Bella Lago - Bella Lago LLC	0	0	8	0	8	0	8	0	8	0	32	0
SUB-TOTAL	249	1,343	317	1,520	532	1,559	599	1,691	525	1,425	2,222	7,538
TOTAL UNITS	1,592		1,837		2,091		2,290		1,950		9,760	
Annual Average:											1,952	

\*ISSUE = Building Permit

**Table 2****GMOC 2015 - WESTERN CHULA VISTA RESIDENTIAL DEVELOPMENT FORECAST****SEPTEMBER 2014 - DECEMBER 2019**

SEPTEMBER 2014 - DECEMBER 2019											Five Years Forecast	
PROJECT	SEPTEMBER 2014 - DECEMBER 2015		JAN. - DECEMBER 2016		JAN. - DECEMBER 2017		JAN. - DECEMBER 2018		JAN. - DECEMBER 2019		SEPTEMBER 2014 - 2019	
	ISSUE*		ISSUE*		ISSUE*		ISSUE*		ISSUE*		ISSUE*	
	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF
354 Moss Street	0	17	0	0	0	0	0	0	0	0	0	17
Bahia Vista Townhomes (778 Ada St)	0	21	0	0	0	0	0	0	0	0	0	21
Bayfront - Pacifica	0	0	0	186	0	0	0	0	0	0	0	186
Creekside Point (944 Third Ave)	0	119	0	0	0	0	0	0	0	0	0	119
386 Date St	6	0	0	0	0	0	0	0	0	0	6	0
El Dorado Ridge (Brandywine Ave)	0	104	0	0	0	0	0	0	0	0	0	104
Lofts on Landis (240 Landis)	0	33	0	0	0	0	0	0	0	0	0	33
Stone Creek Casitas (3875 Main St)	0	97	0	0	0	0	0	0	0	0	0	97
Tamarindo (35 Tamarindo)	16	0	0	0	0	0	0	0	0	0	16	0
The Colony (435 Third Ave)	0	0	0	162	0	0	0	0	0	0	0	162
Urbana (NE corner of H St & Fourth Ave)	0	0	0	266	0	0	0	0	0	0	0	266
Second Accessory Units	8	0	8	0	8	0	8	0	8	0	40	0
SUB-TOTAL	30	391	8	614	8	0	8	0	8	0	62	1,005
TOTAL UNITS	421		622		8		8		8		1,067	
Annual Average:											213	

\*ISSUE = Building Permit

**Table 3**

**HISTORIC HOUSING AND POPULATION GROWTH  
CITY OF CHULA VISTA 1980 – SEPTEMBER 2014**

CALENDAR YEAR	Units Authorized for Construction (Issued)	Units Completed (Finaled)	Certified Year End Population (State D.O.F.) (1)		
			No.	% Change	
	No.	No.	No.		
1980	407	374	84,364		
1981	195	496	86,597	2.6%	
1982	232	129	88,023	1.6%	
1983	479	279	89,370	1.5%	
1984	1,200	521	91,166	2.0%	
1985	1,048	1,552	116,325	27.6%	(2)
1986	2,076	1,120	120,285	3.4%	
1987	1,168	2,490	124,253	3.3%	
1988	1,413	829	128,028	3.0%	
1989	1,680	1,321	134,337	4.9%	
1990	664	1,552	138,262	2.9%	
1991	747	701	141,015	2.0%	
1992	560	725	144,466	2.4%	
1993	435	462	146,525	1.4%	
1994	700	936	149,791	2.2%	
1995	833	718	153,164	2.3%	
1996	914	820	156,148	1.9%	
1997	1,028	955	162,106	3.8%	
1998	1,339	1,093	167,103	3.1%	
1999	2,505	1,715	174,319	4.3%	
2000	2,618	2,652	181,613	4.2%	
2001	3,525	3,222	191,220	5.3%	
2002	2,250	2,923	200,798	5.0%	
2003	3,143	2,697	208,997	4.1%	
2004	3,300	3,043	217,512	4.1%	
2005	1,654	2,525	224,006	3.0%	
2006	1,180	1,448	227,850	1.7%	
2007	576	837	231,157	1.5%	
2008	325	518	234,011	1.2%	
2009	275	398	244,269	4.4%	
2010	517	422	245,987	0.7%	
2011	728	631	249,382	1.4%	
2012	798	847	251,973	1.0%	
2013	631	777	256,139	1.7%	
2014	829	394	257,362	0.5%	(3)
Annual Average	1,199	1,203	4,943	2.7%	(4)

(1) Reflects Department of Finance (DOF) comprehensively revised population figures for the end of the referenced year.

(2) Montgomery Annexation

(3) Population estimates are subject to change and refinement. They assume a 4.9% vacancy rate and 3.26 persons per unit, and are estimated prior to California Department of Finance (DOF) estimates, available in 2015.

(4) The annual average percentage is adjusted for the anomaly of the Montgomery Annexation.